GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:388
ANSWERED ON:19.04.2002
URBAN COOPERATIVE BANKS
ARUN KUMAR

Will the Minister of FINANCE be pleased to state:

(a) whether Urban Cooperative Banks were prohibited from extending any advances to stock brokers;

(b) whether these banks have violated the guidelines and granted advances to stock brokers; (

(c) if so, the State-wise, number of such banks who have violated the above guidelines during the last the last three years; and

(d) the action initiated against them by the Goverrunent?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a),(b),(c) & (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO PARTS (a); (b), (c) AND (d) OF LOK SAQHA STARRED QUESTION No.388 FOR APRIL`19, 2002 T/\I3LED UY SHRI ARUN KUMAR REGARDING URBAN COOPERATIVE BANKS

(a) Reserve Bank of India (RBI) has reporled that Urban Co-operative Bmtks (UCBs)are prohibited from granting any lype of credit faciJily, including guarantees to share/ slock-brokers.

(b) & (c): The State-wise details of UCBs who are found to have violated. RBI`s instructions in respect of grant of advances to stock/share-brokers, for the last three years are given below:

State	Number of Banks		
	1998-99	1999-2000	2000-2001 `
gujarat	2	3	4
Maharashtra	2	3	6
ladhya Pradesh	-	1	2
Unar Pradesh	-	1	-
Andhra Pradesh	-	-	1
Jammu & Kashmir	-	-	1

(d) Show cause notices for levying penalty of Rs.`Slakh each have recently been issued, by RBI to 13 UCBs.7 UCBs have been issued letteJ:s of displeasure. In respect of 2 banks,matter is under investigation by Police! Central Bureau of Investigation.